

April 27, 2006

By fax to 703.329.9037  
Steven R. Bisker, Esquire  
2800 Eisenhower Avenue  
Alexandria, VA 22314

Re: Removal of Directors by Members at a Special Meeting.

Dear Mr. Bisker:

You have asked what action the National Credit Union Administration would take if the members of a federal credit union (FCU) voted to recall or remove all of the FCU's directors. Specifically, you asked if the NCUA would appoint itself as conservator of an FCU or, alternatively, if NCUA would appoint a new board.

NCUA's long standing position on this question is that, in the event an entire board of directors is removed, the FCU's Supervisory Committee has the responsibility to serve as an interim board until the Supervisory Committee schedules, as it is required to do, an election of directors by the members. 12 U.S.C. §1761d. We note the NCUA Board appoints itself as conservator of a credit union only if the grounds for conservatorship in the FCU Act are met. 12 U.S.C. §1785(h).

The FCU Bylaws permit members to request a special meeting be called for the purpose of removing directors. FCU Bylaws, Article XIX, Section 3. The Office of General Counsel addressed the role of the Supervisory Committee in the event of the removal of all the directors from the board and, in addition, the selection, timing, and function of an interim board of directors in a previous legal opinion dated January 19, 1979 from General Counsel John Ostby to Shirley B. Shannon, a copy of which is enclosed. Our opinion and guidance remain the same.

Sincerely,

/S/

Sheila A. Albin  
Associate General Counsel

OGC/SAA:bhs  
06-0446  
Enclosure